



Nomin
All-USA

Home
News
Main Categories
Top News
Nation
States
Washington/Politics
World
Editorial/Opinion
Health & Science
Census
Offbeat
More News
Columnists
Lotteries
City Guides
Government Guide
Talk Today
Money
Sports
Life
Tech
Weather

USA TODAY Newspaper stories

Page 1A

Justices approve subsidies for drugs Maine can begin using Medicaid to lower costs

By Joan Biskupic
USA TODAY

WASHINGTON -- The U.S. Supreme Court dealt a blow to drugmakers Monday by clearing the way for Maine to begin an innovative program that is designed to lower the price of prescription drugs for the uninsured.

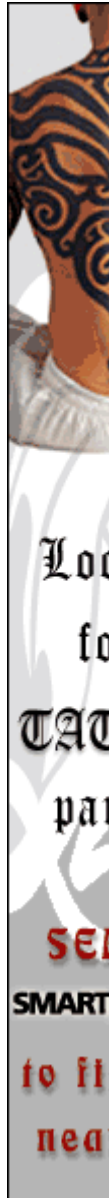
Voting 6-3, the justices ruled that a lower court shouldn't have kept the state from launching the Maine Rx Program. Maine Rx essentially will use Medicaid, the federal health program for the poor, to force drugmakers to lower the costs of prescription drugs for uninsured residents, regardless of their income.

Maine's program is one of the boldest initiatives in a series of moves by states to try to curb rising drug costs and improve health care, particularly for the estimated 70 million Americans without drug insurance. The idea behind the program is that lowering the costs of prescription drugs would give more people access to medicine, allowing them to keep working and, in some cases, avoid going on Medicaid. More than 300,000 of Maine's 1.3 million residents are uninsured, the state says.

Drugmakers say Maine Rx, which the Legislature approved in 2000, uses Medicaid in a way that conflicts with Congress' intentions. They also say it sets up a cumbersome process that could deny Medicaid patients the drugs they want.

Drug companies' revenue could suffer if such state programs are allowed across the USA; several drug stocks fell sharply after the ruling.

Under Maine's law, uninsured residents can get prescription drugs at discounted prices. The state will pay for the discounts using rebates it gets from drugmakers that participate in Medicaid. If a company refuses to pay the rebate, Maine will require doctors to get prior approval from the state before prescribing that company's drug for Medicaid recipients.



Besides reviving Maine's experiment, Monday's ruling keeps alive similar proposals in more than a dozen other states. Even so, it does not guarantee that they will pass legal muster. The justices said drugmakers challenging the program have failed, so far, to show that it conflicts with U.S. Medicaid law.

"At this stage of the litigation," Justice John Paul Stevens wrote in the court's main opinion, the drugmakers challenging Maine's law "has not carried its burden of showing a probability of success on the merits of its claims."

The court said that once Maine Rx takes effect and evidence becomes available about its effects, the drug industry could renew its challenge.

The Pharmaceutical Research and Manufacturers of America, which challenged the law, said it will continue its fight. Attorney Carter Phillips said the group will show that requiring Medicaid recipients' doctors to get state approval for certain drugs will make it harder for patients to get medicines of their choice.

Bernie Horn of the Center for Policy Alternatives in Washington, D.C., said at least 16 other states are weighing plans similar to Maine Rx. The center said only Hawaii has a law as broad as Maine's, and it has not taken effect. In Ohio, backers of a plan similar to Maine's want to get it on statewide ballots next year.

"We have a green light to move forward," Maine Attorney General Steven Rowe said, "and we're going to try to get prescription drug prices reduced."



USATODAY.com partners: [USA Weekend](#) • [Sports Weekly](#) • [Education](#) • [Space.com](#)

[Home](#) • [News](#) • [Money](#) • [Sports](#) • [Life](#) • [Tech](#) • [Weather](#) • [Travel](#) • [Job Center](#)

Resources: [Mobile News](#) • [Site Map](#) • [FAQ](#) • [About Us](#) • [Contact Us](#)
[Email News](#) • [Jobs with Us](#) • [Terms of service](#) • [Privacy Policy](#) • [How to advertise](#) • [About Us](#)

© Copyright 2003 USA TODAY, a division of [Gannett Co. Inc.](#)